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## **Russian Federation**

### **Grain and Feed Update**

#### **February 2014 Update**

**Approved By:**

Levin Flake

**Prepared By:**

Yelena Vassilieva

**Report Highlights:**

The Russian State Statistical Service (Rosstat) published preliminary data on crop production in 2013, with overall production of grains and pulses at 91.3 million metric tons, including 52.1 MMT of wheat, 15.4 MMT of barley, 10.7 MMT of corn, and 13.1 MMT of other grains and pulses. The total crop is 29 percent higher than in 2012. FAS/Moscow has increased the estimate for Russia's grain exports in marketing year 2013/2014 from 20 MMT (November Update) to 21.6 MMT, including 16.0 MMT of wheat (1 MMT increase), and a record 2.5 MMT of corn (0.5 MMT increase). Exports in the first half of the marketing year have been very strong, and since July 1, 2013, through the end of December 2013, Russia has exported 16.36 MMT of grain and pulses - 21 percent higher than in the same period 2012. However, exports are expected to slow in the next couple of months due to seasonal factors, as well as less-competitive Russian prices. For 2014 production, as of December 20<sup>th</sup>, 2013 area for winter grain (including green feed - mostly rapeseed) was down 7 percent from that same time the previous year. This decline in area was primarily due to very wet weather in the early fall which severely delayed plantings.

**Post:** Moscow

### Executive Summary:

According to preliminary official data from the Russian State Statistical Service (Rosstat), in 2013 Russia produced 91.3 million metric tons (MMT) of grain and pulses, including 52.1 MMT of wheat, 15.4 MMT of barley, 10.7 MMT of corn, and 13.1 MMT of other grains and pulses. The total crop is 29 percent higher than in 2012. Final official data will be published in late-February, but typically this final data has been very close to the preliminary data. Since July 1, 2013, through the end of December 2013, Russia has exported 16.2 MMT of grain and pulses, including 2.1 MMT were exported in December. This July – December 2013 export is 21 percent higher than in the same period 2012. Russian domestic wheat prices have stabilized at relatively high levels by mid-November, while foreign market prices of wheat have declined, making Russia's wheat less competitive in the foreign markets. Industry analysts forecast significant decline in Russia's grain exports in January – February 2014 not only because of seasonal factors (such as unfavorable weather in deep water and shallow water ports of the Southern European Russia), but also because of less-competitive prices. Following this slowdown in exports, there will likely be a recovery in export volumes in the spring of 2014 as a result of larger grain stocks than last year and improved weather conditions.

Because of high early-season exports, FAS/Moscow has increased Russia's grain export estimate in marketing year 2013/2014 from 20 MMT (in the November Grain and Feed Update) to 21.6 MMT, including 16.0 MMT of wheat (a 1 MMT increase), and a record 2.5 MMT of corn (a 0.5 MMT increase). The estimate for barley exports is unchanged at 2.5 MMT, while exports of other grains and pulses are raised by 0.1 MMT to 0.6 MMT.

### Production 2013

Due to unprecedentedly long period of warm dry weather in the end of November and all through December, Russian farmers managed to harvest most of planned area (corn), and grain production reached levels higher than were forecasted in November. On December 26, 2013, the Russian State Statistical Service (Rosstat) published preliminary data on crop production in 2013. In 2013 Russia produced 91.3 million metric tons of grain and pulses (clean weight) which is 28.8 percent more than in 2012. Production of all grains except rice increased, and the most important gains were in wheat (38 percent increase), rye (58 percent increase) and corn (30 percent increase) production.

By crops the preliminary results of harvest are the following: wheat (winter and spring) – 52.1 MMT (37.7 MMT in 2012); barley (winter and spring) – 15.4 MMT (14.0 MMT in 2012); corn for grain – 10.7 MMT (8.2 MMT in 2012); oats – 4.9 MMT (4.0 MMT in 2012); rye (winter and spring) – 3.4 MMT (2.1 MMT in 2012); rice – 0.93 MMT (1.05 MMT in 2012); other grains – 1.83 MMT (1.83 in 2012). Production of pulses decreased slightly from 2.17 MMT in 2012 to 2.03 MMT in 2013.

<b>Table 1. Grain and Pulses: Sown Area, Production and Yields per Harvested Area</b>								
	2007	2008	2009	2010	2011	2012	2013	2013 to 2012, %
<b>Sown grain and pulses area in Russia, 1,000 Hectares</b>								
Grain and Pulses	44,265	46,742	47,553	43,194	43,572	44,439	45,812	103.1
including:							0	

Grain crops	43,171	45,736	46,473	41,890	42,019	42,595	43,834	102.9	
- Wheat (winter and spring)	24,382	26,633	28,698	26,613	25,552	24,684	25,053	101.5	
- Rye (winter and spring)	2,103	2,166	2,147	1,762	1,551	1,558	1,832	117.5	
- Triticale (winter and spring)			190	165	226	233	251	107.5	
- Corn (grain)	1,509	1,812	1,365	1,416	1,716	2,058	2,445	118.8	
- Barley (winter and spring)	9,618	9,621	9,035	7,214	7,881	8,820	9,015	102.2	
- Oats	3,548	3,561	3,374	2,895	3,046	3,241	3,320	102.4	
- Rice	162	164	183	203	211	201	190	94.4	
- Buckwheat	1,301	1,113	932	1,080	907	1,270	1,106	87.1	
- Millet	506	572	522	521	826	474	471	99.3	
Pulses	1,094	1,006	1,080	1,305	1,553	1,844	1,978	107.3	
<b>Yields per Harvested Area, MT/ha</b>									
Grain and Pulses	1.98	2.38	2.27	1.83	2.24	1.83	2.19	119.7	
including:									
Grain crops	2.00	2.39	2.28	1.84	2.26	1.86	2.23	119.9	
- Wheat (winter and spring)	2.10	2.45	2.32	1.91	2.26	1.77	2.23	126.0	
- Rye (winter and spring)	1.92	2.11	2.07	1.19	1.95	1.50	1.89	126.0	
- Triticale (winter and spring)			2.72	1.76	2.35	2.08	2.41	115.9	
- Corn (grain)	2.93	3.86	3.53	3.00	4.34	4.24	5.04	118.9	
- Barley (winter and spring)	1.87	2.46	2.31	1.68	2.20	1.82	1.92	105.5	
- Oats	1.63	1.71	1.79	1.44	1.82	1.41	1.64	116.3	
- Rice	4.51	4.60	5.14	5.28	5.09	5.49	4.96	90.3	
- Buckwheat	0.84	0.92	0.90	0.59	0.95	0.77	0.92	119.5	
- Millet	1.12	1.38	1.00	0.78	1.39	0.99	1.17	118.2	
Pulses	1.41	1.84	1.65	1.39	1.67	1.29	1.21	93.8	
<b>Production, 1,000 MT</b>									
Grain and Pulses	81,472	108,179	97,111	60,960	94,213	70,908	91,329	128.8	
including:							0		
Grain crops	80,185	106,385	95,582	59,589	91,760	68,735	89,298	129.9	
- Wheat (winter and spring)	49,368	63,765	61,740	41,508	56,240	37,720	52,068	138.0	
- Rye (winter and spring)	3,909	4,505	4,333	1,636	2,971	2,132	3,358	157.5	
- Triticale (winter and spring)			508	249	523	464	582	125.3	
- Corn (grain)	3,798	6,682	3,963	3,084	6,962	8,213	10,682	130.1	

- Barley (winter and spring)	15,559	23,148	17,881	8,350	16,938	13,952	15,357	110.1	
- Oats	5,384	5,835	5,401	3,220	5,332	4,027	4,921	122.2	
- Rice	705	738	913	1,061	1,056	1,052	926	88.0	
- Buckwheat	1,004	924	564	339	800	797	829	104.1	
- Millet	417	711	265	134	878	334	416	124.8	
Pulses	1,287	1,794	1,529	1,371	2,453	2,174	2,032	93.5	
<i>Source: Russian State Statistical Service (Rosstat)</i>									

### Production 2014

For 2014 production, as of December 20<sup>th</sup>, 2013 area for winter grain (including green feed - mostly rapeseed) was down 7 percent from the same time the previous year. This decline in area was primarily due to very wet weather in the early fall which severely delayed plantings. The Central Federal District was the most impacted by reduced plantings, with sown area down 18 percent, followed by the Southern Federal District and Volga Valley which both had planted area down 5 percent. In the North Caucasus Federal District, area planted was up slightly.

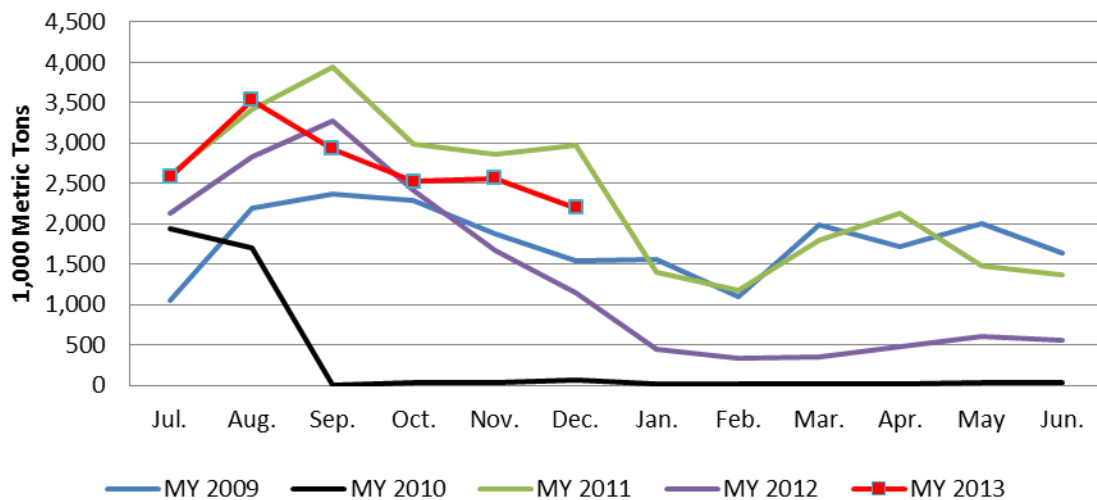
### Trade

FAS/Moscow has increased the Russia's grain export estimate in marketing year 2013/2014 from 20 MMT (in the Grain and Feed November Update) to 21.6 MMT, including 16.0 MMT of wheat (a 1 MMT increase), and a record 2.5 MMT of corn (a 0.5 MMT increase). The estimate for barley exports is unchanged - 2.5 MMT, while exports of other grains and pulses is raised by 0.1 MMT to 0.6 MMT.

Russia has exported 16.36 MMT of grain in July-December 2013, which is 21 percent more than in the same period last year. According to preliminary trade data<sup>1</sup>, exports include 12.56 MMT of wheat, 1.93 MMT of barley, 1.68 MMT of corn, and 0.2 MMT of other grains and pulses. Monthly exports in December 2013 were 2.2 MMT and included record monthly exports of corn at 681,830 metric tons (MT), which is 15.7 percent more than in November 2013 and almost 3 times more than in December 2012. However, industry analysts forecast a decrease of exports in the January – February 2014 timeframe to only 1.1-1.2 MMT per month. This will be due to several factors, including seasonal factors (such as unfavorable weather in deep water ports and ice in shallow water ports of the Southern European Russia) and less-competitive domestic prices of Russian wheat compared to world prices. Also, the Winter Olympics in Sochi in February of 2014 may also hamper railway and truck delivery and out-loading of grain to Novorossiysk and Tuapse deep water ports, which are close to Sochi, because of a general slowdown in all activities non-related to the Games. Following this slowdown, exports in the spring of 2014 will likely recover somewhat as a result of larger grain stocks compared to last year, and improved weather conditions for shipping logistics.

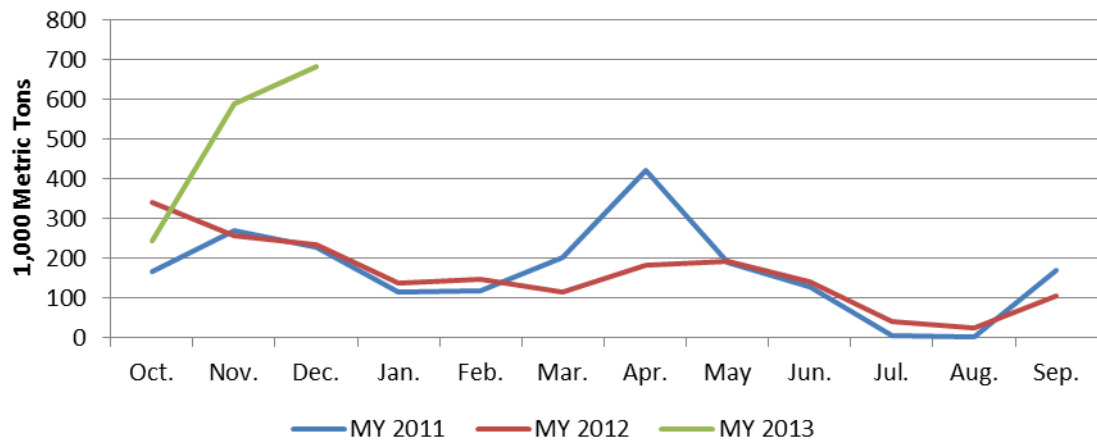
<sup>1</sup> Source: State Customs Service and "Rusagrotrans" (for December 2013)

**Chart 1. Russia's Total Grain Exports in MYs 2009 - 2012**



Source: State Customs of the Russian Federation

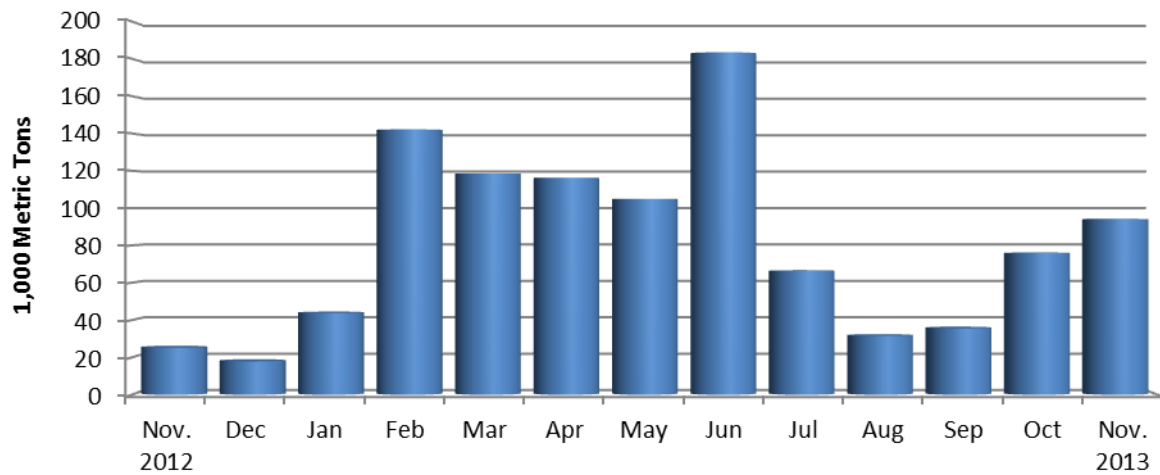
**Chart 2. Corn Exports in October - September (Corn marketing years)**



Source: State Customs and "Rusagrotrans" data for December 2013

Grain import forecasts have remained unchanged. Wheat and flour imports (almost entirely from Kazakhstan) are expected to fall significantly from last marketing year as a result of much higher production in the Urals and Siberia. However, despite this increased production, imports from Kazakhstan in October and November 2013 were relatively high (see chart below).

**Chart 3. Russia: Imports of wheat and wheat flour from Kazakhstan**

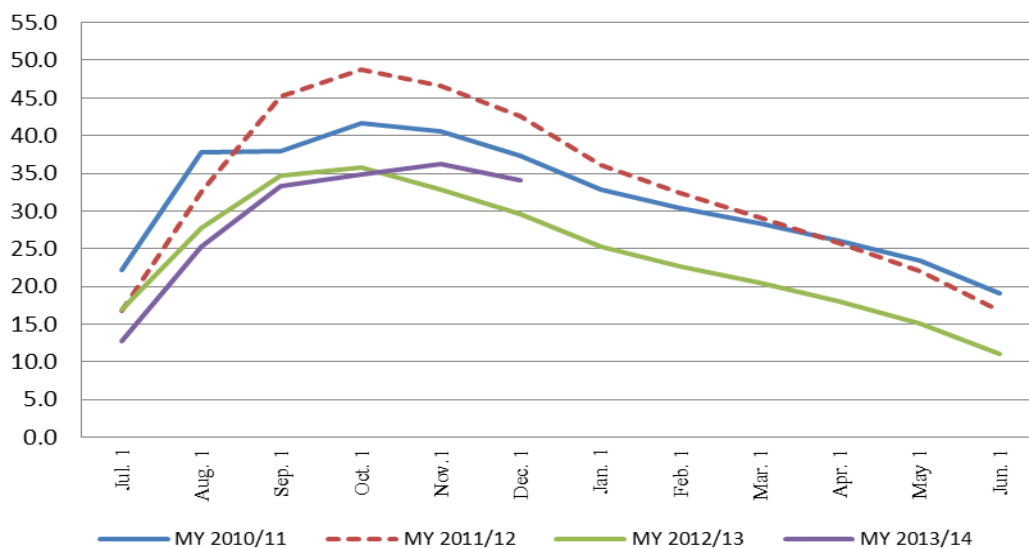


Source: Customs Union Data

### Stocks

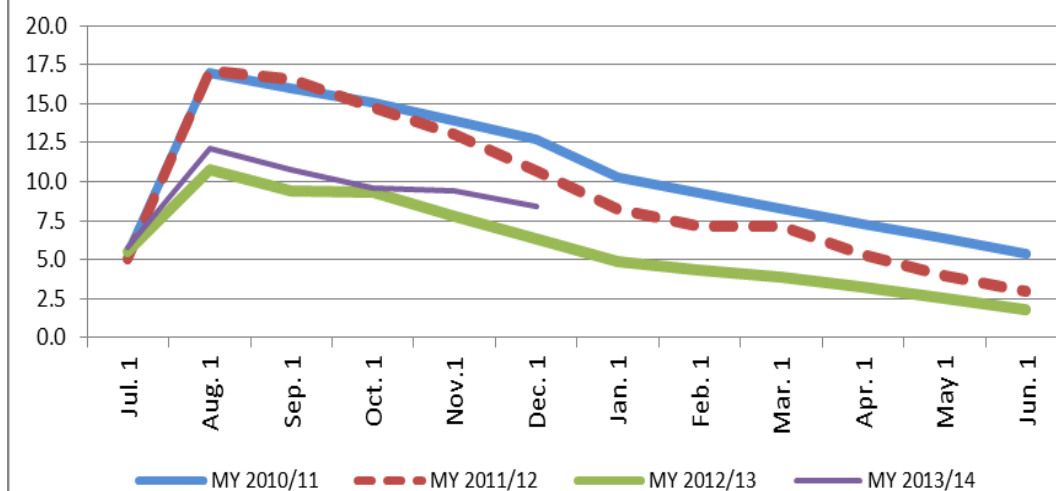
As a result of the larger crop, Russia's grain stocks at farms and at processing enterprises and collection centers (warehouses, county and regional elevators, terminals, etc.) increased by December 1, 2013, to 34.1 MMT (15 percent more than on December 1, 2012), of which stocks in the Southern European Russia were 8.5 MMT (35 percent more than on December 1, 2012). However, stocks of wheat at the assembling and processing enterprises were the lowest in the last 4 years, with the reason being possibly that processors are waiting for lower prices to complete purchases.

**Chart 4. Grain Stocks in Russia, Total, Million Metric Tons**



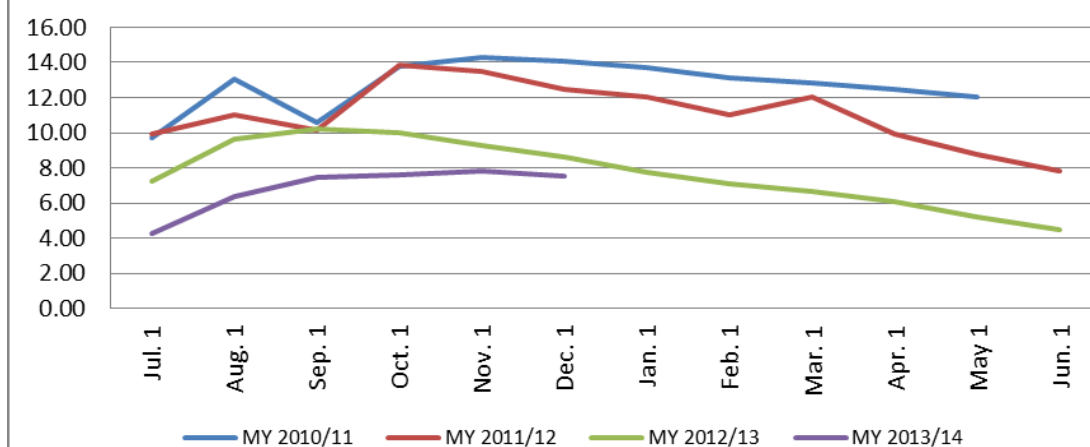
Source: Rosstat

**Chart 5. Grain Stocks in the South of European Russia,  
Million Metric Tons**



Source: Rosstat

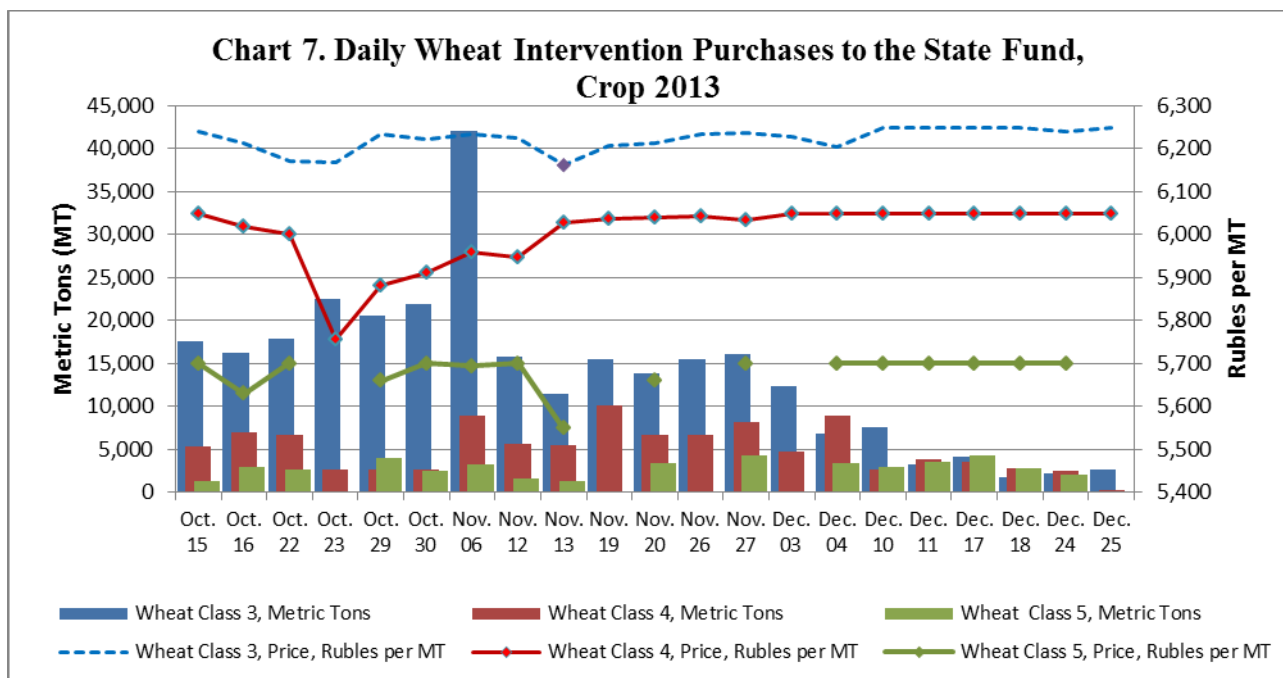
**Chart 6. Russia: Wheat Stocks at Assembling and Processing  
Enterprises**



Source: Rosstat

## Policy

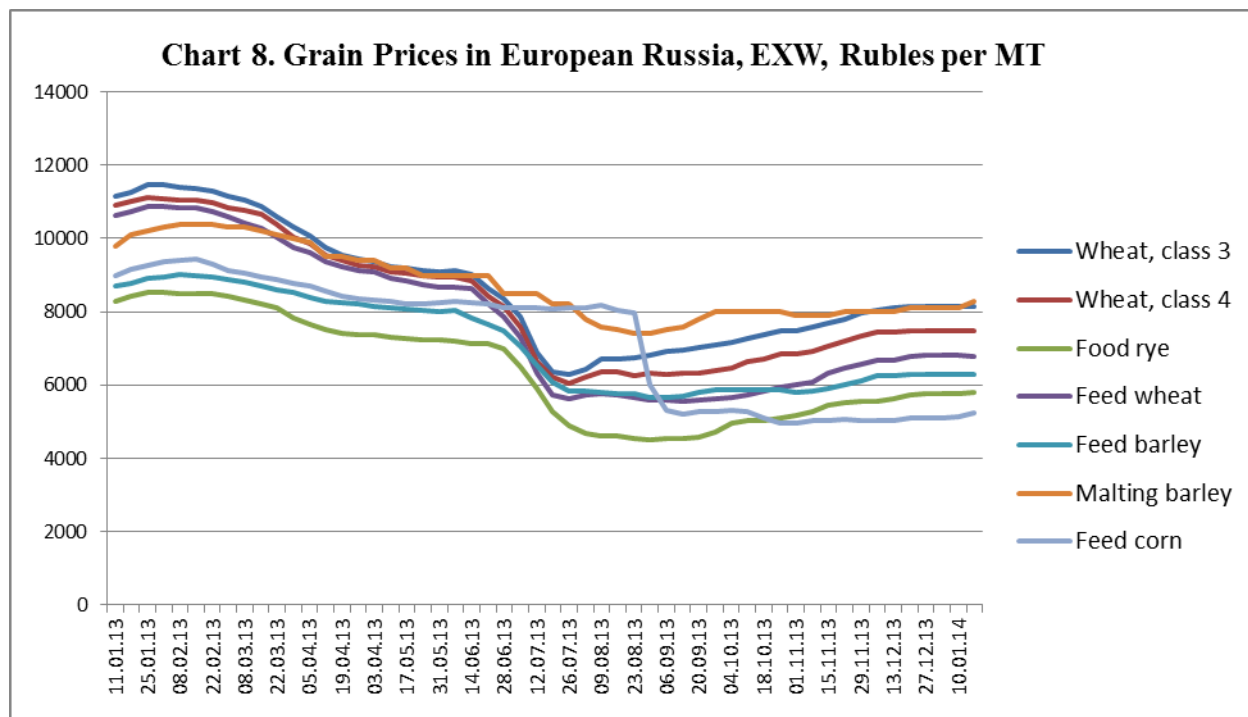
2013 grain intervention purchases into the State Fund took place through December 25, 2013. Since October 15, 2013, the Russian government purchased over 0.54 MMT of grain from farmers in Ural and Siberia, including 287,685 metric tons (MT) of milling wheat Class 3, 108,540 MT of milling wheat Class 4, 46,575 MT of feed wheat Class 5, and 101,250 MT of fodder barley. The total value of purchased grain is 3.2 billion rubles (\$97 million). The average purchase prices have stabilized as of the beginning of December 2013, and the volumes of purchases have been reduced. Intervention purchases resumed on January 21<sup>st</sup> and 22<sup>nd</sup>, 2014, but interest was very low, and farmers only sold 5,400 MT of all grain on January 21<sup>st</sup>, and 7,965 MT on January 22<sup>nd</sup> to the Intervention Fund.



Source: FAS/Moscow based on Russian Commodity Exchange data: <http://www.namex.org/>

### Marketing

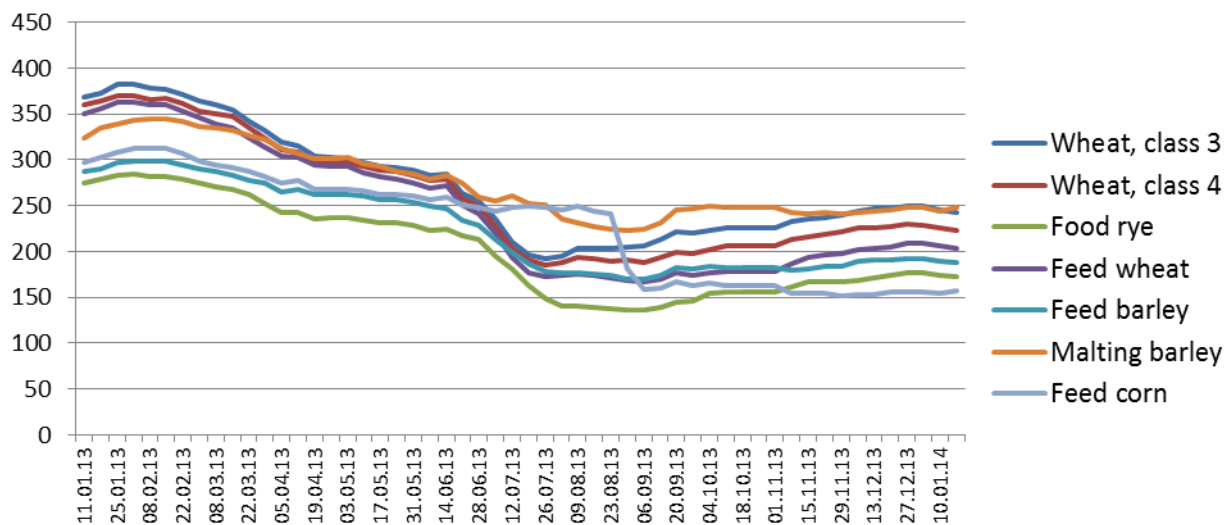
Russia's domestic grain prices have flattened since the end of November, and fluctuation have not been significant (Chart 2). However, in dollars these prices began slightly decreasing in January due to the strengthening U.S. dollar.



Source: ProZerno



**Chart 9. Grain Prices in European Russia, EXW, USD per MT**



Source: ProZerno

## Production, Supply and Demand Data

### Wheat

Wheat Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	24,814	24,885	21,296	21,296	23,500	23,350
Beginning Stocks	13,736	13,271	10,899	10,899	5,180	5,180
Production	56,240	56,240	37,720	37,720	52,100	52,100
MY Imports	550	550	1,400	1,400	500	500
TY Imports	550	550	1,400	1,400	500	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	70,526	70,061	50,019	50,019	57,780	57,780
MY Exports	21,627	21,627	11,289	11,289	16,500	16,000
TY Exports	21,627	21,627	11,289	11,289	16,500	16,000
Feed and Residual	15,500	15,035	11,900	11,900	13,500	14,000
FSI Consumption	22,500	22,500	21,650	21,650	21,500	21,500
Total Consumption	38,000	37,535	33,550	33,550	35,000	35,500
Ending Stocks	10,899	10,899	5,180	5,180	6,280	6,280
Total Distribution	70,526	70,061	50,019	50,019	57,780	57,780

1000 HA, 1000 MT, MT/HA

### Barley

Barley Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7,695	7,695	7,631	7,760	8,000	8,000
Beginning Stocks	1,386	1,380	848	848	726	726
Production	16,938	16,938	13,952	13,952	15,400	15,360

<b>MY Imports</b>	368	368	262	262	300	300
<b>TY Imports</b>	372	372	278	278	300	300
<b>TY Imp. from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	18,692	18,686	15,062	15,062	16,426	16,386
<b>MY Exports</b>	3,544	3,544	2,236	2,236	2,500	2,500
<b>TY Exports</b>	3,668	3,668	2,366	2,366	2,500	2,500
<b>Feed and Residual</b>	9,800	9,794	7,700	7,700	8,500	8,400
<b>FSI Consumption</b>	4,500	4,500	4,400	4,400	4,400	4,400
<b>Total Consumption</b>	14,300	14,294	12,100	12,100	12,900	12,800
<b>Ending Stocks</b>	848	848	726	726	1,026	1,086
<b>Total Distribution</b>	18,692	18,686	15,062	15,062	16,426	16,386
1000 HA, 1000 MT, MT/HA						

Corn Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,604	1,550	1,937	1,937	2,200	2,120
Beginning Stocks	72	94	350	350	296	296
Production	6,962	6,680	8,213	8,213	11,000	10,700
MY Imports	43	50	50	50	50	50
TY Imports	43	50	50	50	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	7,077	6,824	8,613	8,613	11,346	11,046
MY Exports	2,027	2,027	1,917	1,917	2,500	2,500
TY Exports	2,027	2,027	1,917	1,917	2,500	2,500
Feed and Residual	4,000	3,747	5,600	5,600	7,000	6,700
FSI Consumption	700	700	800	800	900	900
Total Consumption	4,700	4,447	6,400	6,400	7,900	7,600
Ending Stocks	350	350	296	296	946	946
Total Distribution	7,077	6,824	8,613	8,613	11,346	11,046

1000 HA, 1000 MT, MT/HA

Rye Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,522	1,520	1,421	1,450	1,800	1,800
Beginning Stocks	250	282	129	129	128	128
Production	2,967	2,967	2,132	2,132	3,350	3,360
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3,217	3,249	2,261	2,261	3,478	3,488
MY Exports	238	236	133	133	100	100
TY Exports	284	284	78	78	100	100
Feed and Residual	200	200	100	100	300	300
FSI Consumption	2,650	2,684	1,900	1,900	2,800	2,700
Total Consumption	2,850	2,884	2,000	2,000	3,100	3,000
Ending Stocks	129	129	128	128	278	388
Total Distribution	3,217	3,249	2,261	2,261	3,478	3,488

1000 HA, 1000 MT, MT/HA

## Oats

Oats Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,930	2,930	2,856	2,850	3,000	3,000
Beginning Stocks	167	194	485	485	203	202
Production	5,332	5,334	4,027	4,027	4,900	4,920
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	5,499	5,528	4,512	4,512	5,103	5,122
MY Exports	14	14	9	10	10	0
TY Exports	18	18	10	10	10	0
Feed and Residual	3,500	3,529	2,900	2,900	3,400	3,400
FSI Consumption	1,500	1,500	1,400	1,400	1,500	1,500
Total Consumption	5,000	5,029	4,300	4,300	4,900	4,900
Ending Stocks	485	485	203	202	193	222
Total Distribution	5,499	5,528	4,512	4,512	5,103	5,122

1000 HA, 1000 MT, MT/HA

## Rice

Rice, Milled Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	207	207	192	185	185	185
Beginning Stocks	89	89	28	28	72	22
Milled Production	686	686	684	684	600	615
Rough Production	1,055	1,055	1,052	1,052	923	946
Milling Rate (.9999)	6,500	6,500	6,500	6,500	6,500	6,500
MY Imports	194	194	200	200	220	250
TY Imports	194	194	200	200	220	250
TY Imp. from U.S.	4	0	0	20	0	20
Total Supply	969	969	912	912	892	887
MY Exports	281	281	120	210	100	120
TY Exports	281	281	120	210	100	120
Consumption and Residual	660	660	720	680	725	700
Ending Stocks	28	28	72	22	67	67
Total Distribution	969	969	912	912	892	887

1000 HA, 1000 MT, MT/HA

## Millet

Millet Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	632	630	337	335	350	350
Beginning Stocks	0	0	0	0	0	0
Production	878	878	334	334	400	420
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	878	878	334	334	400	420

